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SUBJECT: NATIONAL ECONOMIC ADVISOR AHADI OUTLINES HIS PLANS AND
REQUESTS U.S. SUPPORT FOR STAFFING

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¶1. (SBU) SUMMARY: President Karzai's newly named National Economic Advisor (NEA), Dr. Anwar ul-Haq Ahadi, discussed his new role with Coordinating Director for Development and Economic Affairs Ambassador Tony Wayne and Treasury Attache on February 7 and requested Embassy and other donor assistance to help him staff his office. Ahadi is focused on developing a functioning structure to advise President Karzai on economic affairs and carry out inter-ministerial coordination. Ahadi believes his office is better suited for inter-ministerial coordination than the proposed cluster ministers. Ambassador Wayne encouraged Ahadi to use the upcoming Kabul Conference to demonstrate his office's role in economic coordination. He stressed that all salary payments must run through the Ministry of Finance per a recent presidential decree. Observing that the Embassy is reviewing technical support for Office of the President, Ambassador Wayne mentioned that Ahadi may wish to seek support from the new Civilian Technical Assistance Program (CTAP), for which AID will provide up to \$30 million to the Government of Afghanistan for hiring non-Afghan advisors. END SUMMARY.

ROLE OF THE NATIONAL ECONOMIC ADVISOR

¶2. (SBU) Coordinating Director for Development and Economic Affairs Wayne and Treasury Attache met with former Finance Minister Ahadi on February 7 to discuss his new role as President Karzai's National Economic Advisor (NEA). Ahadi began the meeting noting that Ishaq Nadiri established the office of the National and work plans to monitor implementation in key line ministries. He claimed that this role could not be adequately addressed by the Ministry of Finance, which is overstretched with other budgetary burdens and cannot carry out the necessary analysis. He wants the NEA office to develop projects to support those policies and then allocate budget resources. NEA would also develop new projects on an annual basis in coordination with the Ministry of Economy.

CLUSTER CONCERNS

¶6. (SBU) Ahadi expressed concern over the "clusters" approach presented by GIROA at the London Conference, arguing that the tasks were confusing and personality-driven and that it makes little sense to have the Ministry of Mines coordinate the Ministry of Public Works, for example. Ahadi said he would raise his concerns with President Karzai in the coming days. Ambassador Wayne agreed that the clustering concept was based on the strong capacities and personalities of the lead ministers and mentioned a recent World Bank study, which argued that clustering had not succeeded in many places and requires a lot of investment in a robust coordinating mechanism to function properly.

NEXT STEPS

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17. (SBU) Ahadi requested Embassy assistance to provide salary support to properly staff his office. Specifically, he sought senior advisors to focus on the domestic national economy and a development economist to cover broader donor assistance and coordination issues. Ahadi also wants to hire several local experts to work on specific clusters/sectors which would require salary support equivalent to what is available to the Ministry of Finance, Commerce, and Central Bank. Ambassador Wayne pledged to ask USAID to meet with him about possible to support the NEA office. He also suggested that Ahadi undertake a coordinated approach to donors and that he look closely at the official staffing pattern for his office especially given the recent presidential decree that any salary payments need to go through the Finance Ministry.

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